

New Perspectives on Gender

Marianne Bertrand
Handbook of Labor Economics, 2011

Presentation: Ehsan Sabouri Kenari
August 19, 2019

Introduction

- Two main factors being discussed as sources of the gender gap in earnings for decades were differences in:
 - **human capital accumulation**
 - **discrimination**
- **Psychological and socio-psychological factors** are now more commonly discussed as possible explanations for gender differences in labor market outcomes.

Outline

- 1 Introduction
- 2 Gender Differences in Psychological Attributes
 - Risk attitudes
 - Attitude toward competition
 - Attitude toward negotiation
- 3 Implication for Labor Market Outcomes
- 4 Source of Gender Differences in Preferences
- 5 Conclusion

Outline

- 1 Introduction
- 2 Gender Differences in Psychological Attributes**
- 3 Implication for Labor Market Outcomes
- 4 Source of Gender Differences in Preferences
- 5 Conclusion

Women are more risk averse than men

- [Bonin et al. \(2007\)](#) empirically demonstrate that individuals that are less willing to take risk tend to sort into occupations with more stable earnings.
- [Croson and Gneezy \(2009\)](#) and [Eckel and Grossman \(2008\)](#) come to the conclusion that the published experimental findings are broadly consistent with women being more risk averse than men.

Women under-perform in competitive environment

- Lab experiments showed that woman under-perform in competitive environment:
 - Gneezy et al. (2003)
 - Niederle and Vesterlund (2007)
- Some open questions for future research regarding both the robustness and interpretation of the findings in these two influential papers:
 - Gender composition of environment
 - Robust to risk aversion

Gender difference in attitude toward negotiation

- Recent meta-analyses ([Stuhlmacher and Walters, 1999](#); [Walters et al., 1998](#)) started highlighting the importance of **situational or contextual factors** for gender differences in negotiation.
- [Bowles et al. \(2005\)](#) show that women's performance in negotiation improves significantly when **negotiating for someone else** as opposed to for themselves.

Gender difference in attitude toward negotiation

- Bowles et al. (2005) investigate the role of **situational ambiguity** in explaining gender difference in negotiation. They show that women's performance is low when information is poor.
- The view that a **differential treatment of men and women** that attempt to negotiate is a key driver of the gender gap in initiating negotiation for higher compensation.

Outline

- 1 Introduction
- 2 Gender Differences in Psychological Attributes
- 3 Implication for Labor Market Outcomes**
- 4 Source of Gender Differences in Preferences
- 5 Conclusion

Implication for labor market outcomes

- [Manning and Saidi \(2010\)](#) show that there are fewer women in those occupations and establishments that use **variable pay instead of fixed pay** contracts. but the difference is quantitatively small.
- **In contrast** with the laboratory evidence, [Lavy\(2008b\)](#) finds no statistical evidence that female teachers do worse under the tournament scheme. In addition, **female teachers' performance** in the tournament scheme does not appear to be statistically related to the gender mix of the comparison group

Implication for labor market outcomes

- Ors et al. (2008) find results that are **more consistent** with the competition hypothesis. They find that women perform more poorly than men on the **stressful and competitive entry exam**, with the performance distribution for men displaying much fatter tails.
- A few descriptive field studies have confirmed that women appear **less likely to initiate negotiations**. Babcock and Laschever (2003) find that only 7% of female students attempted to negotiate their initial compensation offers, as compared to 57% of men.

Implication for labor market outcomes

- Among MBA students, [Babcock et al. \(2006\)](#) find that more than half of the male students negotiated their job offer, compared to only about 10 percent of the female students. Also show that there is no gender difference in negotiated starting salaries in **low ambiguity industries**. (lab experiment)
- [Greig \(2008\)](#) surveys **investment bankers** at a major US investment bank. She find that female employees report a lower propensity to negotiate on behalf of themselves and further shows that a correlation exists between ones propensity to negotiate and ones rate of **advancement and seniority at the bank**.

Outline

- 1 Introduction
- 2 Gender Differences in Psychological Attributes
- 3 Implication for Labor Market Outcomes
- 4 Source of Gender Differences in Preferences**
- 5 Conclusion

Biological differences between men and women

- It is obvious that there are important **biological differences** between men and women that have direct implications for how each sex is faring in the labor market.
- [Goldin and Katz \(2002\)](#) demonstrate that the availability of **oral contraceptives (the pill)** increased the likelihood that college-educated women choose to further invest in long-duration professional education.
- [Albanesi and Olivetti \(2009\)](#) discuss how medical **improvements in maternal health** and the introduction of infant formula increased the labor force participation of married women of child-bearing age.

Sources of gender attitude differences: Nature or Nurture

- Gneezy et al. (2008) present a **case study** that appears to rule out a pure nature-based explanation for gender differences in attitudes towards competition.
- Booth and Nolen (2009a) show that gender differences in risk attitudes in a sample of English 15-year-olds depend on whether the girls have attended a **single-sex school or mixed-gender school**.
- Hoffman et al. (2010) use a research approach similar to Gneezy et al. (2008) to assess the role of nurture in the **gender gap in spatial reasoning**, which they measure by the time needed to solve a puzzle.

Sources of gender attitude differences: Nature or Nurture

- There has also been quite a lot work suggesting biological influences. Scientists have argued that differences in male and female brain structures, and in the exposure to sex hormones influence gender specific skills (for example [Kimura, 1999](#))
- In particular, a lot of research has focused on establishing that **testosterone levels**, which of course differs on average between men and women but also differ within gender, are predictive of important behavioral outcomes.

Outline

- 1 Introduction
- 2 Gender Differences in Psychological Attributes
- 3 Implication for Labor Market Outcomes
- 4 Source of Gender Differences in Preferences
- 5 Conclusion**

Conclusion

- While there is a wealth of laboratory evidence suggesting that women differ from men on some of these key, theoretically relevant, psychological attributes, there is to this date a **striking lack of research** establishing the empirical relevance of these factors for actual outcomes.
- While the **laboratory evidence** shows in many cases **large gender differences** (say, in attitudes towards risk, or attitudes towards competition), most of the existing attempts to measure the impact of these factors on actual outcomes **fail to find large effects**.

Thank You